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April 20, 2004

The Honorable Deborah Taylor Tate, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

Re: Petition for Exemption of Certain Services

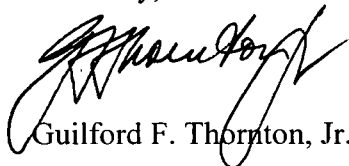
TRA Docket No. 03-00391

Dear Chairman Tate:

On behalf of Citizens Telecommunications Company of Tennessee, LLC ("Citizens"), I am enclosing the responses of Citizens to the first set of discovery requests previously submitted by the Consumer Advocate in this docket. I am serving a copy on counsel for parties of record.

Should you have any questions or require anything further at this time, please do not hesitate to contact me.

Sincerely,



Guilford F. Thornton, Jr.

cc: Mike Swatts  
Gregg Sayre

**IN THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

<b>IN RE:</b>	)	
	)	
<b>PETITION FOR EXEMPTION OF</b>	)	
<b>CERTAIN SERVICES</b>	)	<b>DOCKET NO. 03-00391</b>
	)	

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**RESPONSES OF CITIZENS TELECOMMUNICATIONS COMPANY OF TENNESSEE,  
L.L.C. TO THE FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER  
ADVOCATE AND PROTECTION DIVISION**

Comes now Citizens Telecommunications Company of Tennessee, L.L.C. ("Citizens") and makes the following responses to discovery requests previously submitted by the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"):

**INTERROGATORIES**

**Interrogatory No. 1**

The *Petition for Exemption of Certain Services* states on page 3: "Within the context of this vigorously competitive environment, Tenn. Code Ann. § 65-5-208(b) requires the Authority to exempt these services from certain regulatory requirements contained in Tenn. Code Ann. Title 65, Chapter 4, Part II." Identify each and every "certain regulatory requirement" from which the Company seeks an exemption for intraLATA toll service.

**Response:**

**Citizens is seeking the same regulatory relief that has already been extended to interexchange carriers in TN. In addition, Citizens would be exempt from the price cap restrictions set forth in T.C.A. 65-5-209.**

## **Interrogatory No. 2**

For each regulatory requirement identified in response to Interrogatory No. 1, describe in detail how the proposed exemption of intraLATA toll service would be implemented, including, but not limited to, the effect or potential effect of the exemption on current operations, agreements, and remaining regulatory obligations. For instance, if the Company is seeking to deregulate the price of intraLATA toll service, include in your response a description of proposed changes to the Company's price cap calculation; if the Company is seeking to remove intraLATA toll service from tariffing requirements, include in your response a description of the filings necessary to de-tariff the service as well as the impact that de-tariffing would have on obligations and agreements involving long distance resellers, etc.

### **Response:**

**The implementation would be transparent to Citizens end users. Internally, Citizens will file revised tariffs providing rate information only for Citizens' intraLATA toll service offerings. Implementation would have no affect on Citizens' price cap calculations in that Citizens would remove all revenues associated with intraLATA toll from the equation just as Citizens has for other services that are deregulated. Implementation would have no affect on obligations and agreements with resellers.**

## **Interrogatory No. 3**

The *Petition for Exemption of Certain Services* states on page 1: "Like interLATA toll service, intraLATA toll is highly competitive." The *Petition* further states on page 3: "Within the context of this vigorously competitive environment, Tenn. Code Ann. § 65-5-

208(b).requires the Authority to exempt these services from certain regulatory requirements contained in Tenn. Code Ann. Title 65, Chapter 4, Part II." Set forth in detail all facts upon which the Company relies to support its conclusion that "intraLATA toll is highly competitive" and that there is a "vigorously competitive environment" relative to the intraLATA toll service market in Tennessee.

**Response:**

**Because intraLATA presubscription is universal, it is precisely as competitive as interLATA toll.**

**Interrogatory No. 4**

Identify each and every intraLATA toll service tariff offering that would be exempted from regulation if the *Petition for Exemption of Certain Services* is approved as filed. In your response, include a description of the service and a reference to the associated tariff section number(s) in the Company's tariff(s).

**Response:**

**All toll services identified in Citizens Telecommunications Company of Tennessee – General Customer Services Tariff – Section S13 would be affected. The services can be accessed at: <http://wapps.east.frontiercorp.com/crtf/tariffs/u/19/TN/local/sect13.pdf>**

**Interrogatory No. 5**

For each intraLATA toll service identified in response to Interrogatory No. 4, set forth the price of service per the Company's tariff as of the following dates, as applicable: (1) January 1, 1999, (2) June 30, 1999; (3) January 1, 2000; (4) June 30, 2000; (5) January 1, 2001; (6) June 30, 2001; (7) January 1, 2002; (8) June 30, 2002, (9) January 1, 2003; (10) June 30, 2003; (11) January 1, 2004.

**Response:**

**Citizens objects to this Interrogatory because it is overbroad and unduly burdensome, and it seeks information that is not relevant to these proceedings or likely to lead to the discovery of relevant evidence.**

**Interrogatory No. 6**

Since January 1, 1999, has the Company ever reduced the price of any intraLATA toll service offering in response to a competitive offering of such service (or service substitute) by a competing company or person? If so, provide a summary of each such rate reduction, including a description of the competitive offering that prompted the rate reduction.

**Response:**

**Citizens objects to this Interrogatory because it seeks information that is not relevant to these proceedings or likely to lead to the discovery of relevant evidence.**

**Interrogatory No. 7**

Provide the amount of annual revenue generated from the provisioning of intraLATA toll service by the Company in Tennessee for each of the last five calendar years, 1999 through 2003.

**Response:**

**Citizens objects to the Interrogatory to the extent that it seeks information that is proprietary and confidential. To Citizens' knowledge no protective order has been issued by the Authority in this matter.**

**Interrogatory No. 8**

Provide the amount of annual intraLATA toll service minutes of use ("MOU") provided by the Company in Tennessee for each of the last five calendar years, 1999 through 2003.

**Response:**

**Citizens objects to the Interrogatory to the extent that it seeks information that is proprietary and confidential. To Citizens' knowledge no protective order has been issued by the Authority in this matter.**

**Interrogatory No. 9**

For each of the last five calendar years, 1999 through 2003, provide the Company's share of the statewide intraLATA toll service market (or best estimate of market share) expressed as a percentage of the intraLATA toll service revenue provided in response to Interrogatory No. 7.

**Response:**

**Citizens does not have the data requested. Citizens does not provide service on a statewide basis.**

**Interrogatory No. 10**

For each of the last five calendar years, 1999 through 2003, provide the Company's share of the statewide intraLATA toll service market (or best estimate of market share) expressed as a percentage of the intraLATA toll service MOUs provided in response to Interrogatory No. 8.

**Response:**

**Citizens does not have the data requested. Citizens currently does not provide service on a statewide basis.**

**Interrogatory No. 11**

Provide the Company's cost per MOU for intraLATA toll service.

**Response:**

**Citizens objects to the Interrogatory to the extent that it seeks information that is proprietary and confidential. To Citizens' knowledge, no protective order has been issued by the Authority in this matter.**

**Interrogatory No. 12**

Provide the Company's gross margin per MOU for intraLATA toll service.

**Response:**

**Citizens objects to the Interrogatory to the extent that it seeks information that is**

**proprietary and confidential. To Citizens' knowledge no protective order has been issued by the Authority in this matter.**

**Interrogatory No. 13**

Set forth and describe all factors, and facts in support thereof, demonstrating that competition would be an effective regulator of price for intraLATA toll service in Tennessee.

**Response:**

**Citizens objects to this Interrogatory because it is overbroad and unduly burdensome, and it seeks information that is not relevant to these proceedings or likely to lead to the discovery of relevant evidence. Responding to this Interrogatory would require that Citizens put on its entire case in response to one interrogatory.**

**Interrogatory No. 14**

If the *Petition for Exemption of Certain Services* is granted as filed, will the Company increase the current rate for any intraLATA toll service offering within the next year subsequent to the granting of the exemption?

**Response:**

**Citizens cannot predict what the competitive environment will require in the way of pricing. The market will determine prices, and we will respond appropriately to market conditions.**

**Interrogatory No. 15**

If your response to Interrogatory No. 14 is anything other than an unqualified "no," set forth and explain in detail all reasons why exemption of intraLATA toll service from certain regulatory requirements would cause the rate for such service to increase in the short term (i.e., within one year from exemption).

**Response: See Citizens' Response to Interrogatory No. 14.**

**Interrogatory No. 16**

The *Petition for Exemption of Certain Services* states on pages 1 and 2: "In addition to the numerous LECs providing the service, intraLATA toll service is also provided by interexchange carriers." Identify those persons or companies that provide intraLATA toll services (or service substitutes) that compete with the intraLATA toll service offerings of the Company. In your response, identify the Tennessee LATA(s) where those persons or companies currently provide such services (or service substitutes)

**Response:**

**On information and belief, Citizens understands that all IXC's that provide interLATA toll also provide intraLATA toll.**

**Interrogatory No. 17**

The *Petition for Exemption of Certain Services* states on page 2: "Many of these providers offer such services using low 'all you can eat' pricing." For each person or company

identified in response to Interrogatory No. 16, provide all information regarding the price and pricing policies of the person or company's intraLATA toll services (or service substitutes).

**Response:**

**See Citizens' Response to Interrogatory No. 16.**

**Interrogatory No. 18**

The *Petition for Exemption of Certain Services* states on page 2: "In addition, these services are provided, using prepaid calling cards, by other companies." Identify those persons or companies that provide intraLATA toll services (or service substitutes) via prepaid calling cards. In your response, identify the Tennessee LATA(s) where those persons or companies currently provide such services (or service substitutes).

**Response:**

**Every prepaid calling card in the United States is just as capable of providing intraLATA toll as interLATA toll. Customers can buy prepaid AT&T cards, for example, at a wide variety of retail outlets in the State and many other locations. Other prepaid calling cards are available at other retail locations across the State.**

**Interrogatory No. 19**

For each person or company identified in response to Interrogatory No. 18, provide all information regarding the price and pricing policies of the person or company's intraLATA toll

services (or service substitutes) provided via prepaid calling cards.

**Response:**

**Prepaid calling cards generally have a single effective price per minute, regardless of whether the call is interLATA or intraLATA. The effective price per minute depends on the retail price of the card, and generally the higher priced cards have a lower effective price.**

**Interrogatory No. 20**

The *Petition for Exemption of Certain Services* states on page 2: "Further, wireless carriers provide such services pursuant to nationwide calling plans." Identify those persons or wireless carriers that are providing intraLATA toll services (or service substitutes) pursuant to nationwide calling plans. In your response, identify the Tennessee LATA(s) where those persons or wireless carriers currently provide such services (or service substitutes).

**Response:**

**On information and belief, Citizens notes that every wireless carrier in the United States provides intraLATA calling. Depending on the carrier's definition of "home area," intraLATA calling may be treated as a home area rather than a long distance call. Every "unlimited home area calling" or "unlimited long distance calling" cellular plan covers intraLATA calls depending on whether they are classified as home area or long distance. Every wireless calling plan offered by cellular or PCS carriers in Tennessee includes intraLATA calling in one form or another, and it is impossible to list every plan.**

**Interrogatory No. 21**

For each person or wireless carrier identified in response to Interrogatory No. 20, provide all information regarding the price and pricing policies of the person or wireless carrier's intraLATA toll services (or service substitutes) provided pursuant to nationwide calling plans

**Response:**

**See Citizens' Response to Interrogatory No. 20 above.**

**Interrogatory No. 22**

In Docket No. 00-00523, *In Re Universal Service for Rural Areas — The Generic Docket*, BellSouth and a Rural Coalition of independent local telephone companies and cooperatives are discussing the need for significant change to the current intraLATA toll service settlement process. Explain in detail the effect or potential effect that exemption of intraLATA toll service from regulatory requirements may have on the outcome of Docket No. 00-00523.

**Response:**

**Citizens is not a party to TRA Docket No. 00-00523 and is therefore not in a position to respond.**

**Interrogatory No. 23**

In Docket No. 00-00523, *In Re Universal Service for Rural Areas — The Generic Docket*, BellSouth and a Rural Coalition of independent local telephone companies and

cooperatives are discussing the need for significant change to the current intraLATA toll service settlement process. Explain in detail the effect or potential effect that exemption of intraLATA toll service from regulatory requirements may have on the intraLATA toll service settlement process.

**Response:**

**Citizens is not a party to TRA Docket No. 00-00523 and is therefore not in a position to respond.**

**Interrogatory No. 24**

Provide a list of all communications that the Company has had regarding the exemption of intraLATA toll service from regulatory requirements, including, but not confined to: communications between or among Company personnel; communications between or among the Company and other persons or companies; and communications between or among the Company and federal and state regulatory officials, policymakers, legislators, or other public officials.

**Response:**

**Citizens objects to this Interrogatory because it is overbroad and unduly burdensome, and it seeks information that is not relevant to these proceedings or likely to lead to the discovery of relevant evidence.**

## **REQUESTS FOR PRODUCTION**

Consistent with the preceding definitions and preliminary matters, produce the following communications and documents:

### **Request for Production No. 1**

Identify and produce a copy of all communications and documents pertaining or referring to the exemption of intraLATA toll service from regulatory requirements in Tennessee.

#### **Response:**

**Citizens objects to this Request because it is overbroad and unduly burdensome, and it seeks information that is not likely to lead to the discovery of relevant evidence.**

### **Request for Production No. 2**

Identify and produce a copy of all communications and documents pertaining or referring to any study, survey, analysis, review, summary, comment or report of any kind regarding the status of competition in the intraLATA toll service market in Tennessee.

#### **Response:**

**See Citizens Response to Request for Production No. 1.**

### **Request for Production No. 3**

Identify and produce a copy of all communications and documents pertaining or referring to any study, survey, analysis, review, summary, comment or report of any kind regarding the effect or potential effect of the exemption of intraLATA toll service from regulatory requirements in Tennessee.

**Response:**

**See Citizens Response to Request for Production No. 1.**

**Request for Production No. 4**

Identify and produce a copy of all communications and documents pertaining or referring to any study, survey, analysis, review, summary, comment or report of any kind regarding the Company's market share and/or competitive position in the intraLATA toll service market in Tennessee.

**Response:**

**See Citizens Response to Request for Production No. 1.**

**Request for Production No. 5**

Identify and produce a copy of all communications and documents that discuss, review, analyze, mention or refer to the issue of whether existing and/or potential competition is an effective regulator of price for intraLATA toll service in Tennessee.

**Response:**

**See Citizens Response to Request for Production No. 1.**

**Request for Production No. 6**

Identify and produce a copy of all communications and documents that discuss, review, analyze, mention or refer to the issue of whether the exemption of intraLATA toll service from regulatory requirements in Tennessee is in the public interest.

**Response:**

**See Citizens Response to Request for Production No. 1.**

**Request for Production No. 7**

Identify and produce a copy of all communications and documents pertaining or referring to any study, survey, analysis, review, summary, comment or report of any kind regarding the Company's cost and/or gross margin for intraLATA toll service.

**Response:**

**Citizens objects to this Request to the extent that it seeks information that is proprietary and confidential. To Citizens' knowledge no protective order has been issued by the Authority in this matter. In addition, Citizens objects to this Request because it is overbroad and unduly burdensome, and it seeks information that is not likely to lead to the discovery of relevant evidence.**

**Request for Production No. 8**

Identify and produce a copy of all communications and documents pertaining or referring to any study, survey, analysis, review, summary, comment or report of any kind regarding the Company's current business and marketing plans or strategies involving the intraLATA toll service market in Tennessee.

**Response:**

**Citizens objects to the Request to the extent that it seeks information that is proprietary and confidential. To Citizens' knowledge, no protective order has been issued**

by the Authority in this matter.

**Request for Production No. 9**

Identify and produce a copy of any and all communications and documents reviewed to prepare your responses to these Interrogatories and Requests for Production.

**Response:**

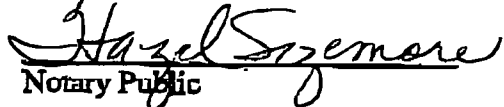
**Citizens objects to this Request because it is overbroad and unduly burdensome, and it seeks information that is not likely to lead to the discovery of relevant evidence.**

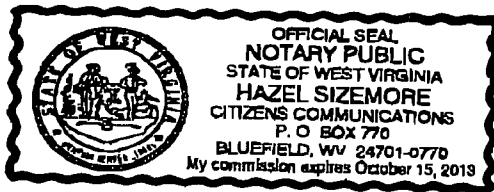
**OATH**STATE OF WEST VIRGINIACOUNTY OF MERCER

I, JAMES MICHAEL SWATTS, on behalf of Citizens Telecommunications Company of Tennessee LLC, being first duly sworn according to law, make oath that the preceding answers and responses to the Interrogatories submitted by the Consumer Advocate and Protection Division of the Office of the Attorney General are true, accurate and correct to the best of my knowledge, information and belief.


CITIZENS TELECOMMUNICATIONS  
COMPANY OF TENNESSEE, LLC

By: Its: STATE GOVERNMENT AFFAIRS DIRECTORSworn to and subscribed before me, this the 21st day of April, 2004.

  
Notary Public

My Commission Expires: October 15, 2013

Respectfully submitted,

  
\_\_\_\_\_  
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Charles W. Cook, III (No. 14274)  
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Company of Tennessee, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served via facsimile or hand delivery, on April 21, 2004, upon:

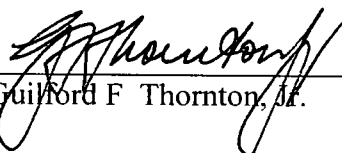
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\_\_\_\_\_  
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